

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT

PERMITTEE

Henri Studio, Inc.
Attn: Bob Seidel/Purchasing Manager
1250 Henri Drive
Wauconda, Illinois 60084

<u>Application No.:</u> 05110005	<u>I.D. No.:</u> 097185AAL
<u>Applicant's Designation:</u>	<u>Date Received:</u> November 2, 2005
<u>Subject:</u> Concrete & Resin Statue Manufacturing	
<u>Date Issued:</u> August 3, 2006	<u>Expiration Date:</u> August 3, 2011
<u>Location:</u> 1250 Henri Drive, Wauconda	

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of statue coating operation controlled by a regenerative thermal oxidizer, antique coating, solvent recovery unit, resin molding operation, resin casting operation, 2 cement silos controlled by a baghouse, diesel storage tank, heating and ventilation units, paint dryer and 2 concrete mixers pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
 - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for volatile organic material (VOM), 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
 - ii. To establish federally enforceable Emission Reduction Market System (ERMS) provisions, including baseline emissions, allotment for each seasonal allotment period, identification of any units deemed to be insignificant activities for the purposes of the ERMS, emissions calculation methodologies, and provisions addressing all other applicable requirements of 35 Ill. Adm. Code Part 205, which are described in Attachment B.
- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permits issued for this location.

- 2a. The statue coating operation and antique coating operation is subject to 35 Ill. Adm. Code 218 Subpart TT: Other Emission Units, and shall comply with one of the following control requirements options of 35 Ill. Adm. Code 218.986:
- i. Emission capture and control equipment which achieves an overall reduction in uncontrolled VOM emissions of at least 81 percent from each emission unit, or
 - ii. For coating lines, the daily-weighted average VOM content shall not exceed 3.5 lb VOM/gallon (minus water and any compounds which are specifically exempted from the definition of VOM) as applied.
- b. The polyester resin operation is subject to 35 Ill. Adm. Code 218 Subpart CC: Polyester Resin Product Manufacturing Process, and shall comply with the control requirements specified in 35 Ill. Adm. Code 218.666 as follows:
- i. Use polyester resin material with a monomer content of no more than 35% by weight as applied, pursuant to 35 Ill. Adm. Code 218.666(a) (1) (A) (v) .
 - ii. Use closed containers for all polyester resin materials, cleaning materials which contain VOM (including waste cleaning materials), and other materials that contain VOM (including waste resin materials) in such a manner as to effectively control VOM emissions to the atmosphere, pursuant to 35 Ill. Adm. Code 218.666(b) .
- c. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, 218.304 and the following exception: if no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
- 3a. VOM emissions from the statue and antique coating shall not exceed 14.41 tons/month and 86.46 tons/year. The VOM emissions shall be calculated using the following equations:

$$\text{Coating VOM Emissions} = \text{Amount of Coating Used} \times \text{VOM Content of Coating} \times (1 - \text{CE})$$

$$\text{Controlled Cleaning Solvent Emissions} = \text{Amount of Cleaning Solvent Used} \times \text{VOM Content of Cleaning Solvent} \times (1 - \text{CE})$$

$$\text{Cleaning Solvent Emissions Not Exhausted to Oxidizer} = \text{Amount of Solvent Used} \times \text{VOM Content of Cleaning Solvent}$$

Where:

CE - Control Efficiency

CE = 0 When Emissions are not controlled

These limits are based on the maximum production capacity and VOM content of the raw materials.

- b. Emissions and operation of the following shall not exceed the following limits:

<u>Emission Unit</u>	<u>VOM Usage and Emissions</u>	
	<u>(Lbs/Month)</u>	<u>(Tons/Year)</u>
Resin Molding and Resin Casting Operations	1,650	4.98

These limits are based on 18.9% loss of starting monomer content and maximum material usage.

- c. Emissions and operation of the cement silos and concrete mixers shall not exceed the following limits:

<u>Emission Unit</u>	<u>Throughput</u>		<u>PM Emissions</u>		
	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>	<u>(Lb/Ton)</u>	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>
Aggregate Transfer	748	4,485	0.0069	5.16	0.015
Sand Transfer	572	3,434	0.0021	1.20	0.004
Cement Silo Loading*	197	1,181	0.00099	0.19	0.001
Cement Supplement Loading*	29	176	0.0089	0.26	0.001
Weigh Hopper Loading	1,320	7,920	0.0051	6.73	0.020
Mixer Loading**	226	1,356	0.2200	49.74	0.150
					0.190

* Particulate matter control due to baghouse.

** Based on cement and cement supplement only.

These limits are based on 1,613 tons/month and 9,678 tons/year of concrete production and standard emission factors (Table 11.12-2 of AP-42, Volume I, Fifth Edition October, 2001).

- d. Emissions and operation of the heating and ventilation units, thermal oxidizer and paint dryer shall not exceed the following limits:

- i. Natural Gas Usage: 50.0 mmscf/month and 250.0 mmscf/year

ii. Emissions from combustion of natural gas:

<u>Pollutant</u>	<u>Emission Factor (Lb/mmscf)</u>	<u>Emissions</u>	
		<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
Carbon Monoxide (CO)	84	2.10	10.50
Nitrogen Oxides (NO _x)	100	2.50	12.50
Particulate Matter (PM)	7.6	0.19	0.95
Sulfur Dioxide (SO ₂)	0.6	0.02	0.08
Volatile Organic Material (VOM)	5.5	0.14	0.69

These limits are based on the maximum equipment operations and standard emission factors (Tables 1.4-1 and 1.4-2 of AP-42, Volume I, Fifth Edition, Supplement D, July 1998).

- e. The emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act shall equal or exceed 10 tons per year of any single HAP, 25 tons per year of any combination of such HAPs, or such lesser quantity as USEPA may establish in rule which would require the Permittee to obtain a CAAPP permit from the Illinois EPA. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirements to obtain a CAAPP permit from the Illinois EPA.
- f. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total).
- 4a. The thermal oxidizer shall be preheated to the manufacturer's recommended temperature but not lower than 1400°F and this temperature shall be maintained during operation of the statue coating operation.
- b. The thermal oxidizer shall be equipped with a continuous temperature indicator and strip chart recorder or disk storage for the thermal oxidizer combustion chamber temperature, pursuant to 35 Ill. Adm. Code 218.105(d) (2) (A) (i).
- c. The operation of any natural gas fired afterburner and capture system used to comply with 35 Ill. Adm. Code Part 218 is not required during the period of November 1 of any year to April 1 of the following year provided that the operation of such devices is not required for purposes of occupational safety or health, or for the control of toxic substances, odor nuisances, or other regulated pollutants, pursuant to 35 Ill. Adm. Code 218.107. However, the Permittee is still required to comply with the emission limitations in Condition 3.
- d. Pursuant to 35 Ill. Adm. Code 218.988(a), when in the opinion of the Illinois EPA it is necessary to conduct testing to demonstrate compliance with 35 Ill. Adm. Code 218.986, the owner or operator of a VOM emission unit subject to the requirements of 35 Ill. Adm. Code 218 Subpart TT shall, at his own expense, conduct such tests in accordance

with the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105.

5. This Permit is issued based on negligible emissions of VOM from the solvent recovery unit and diesel fuel storage tank. For this purpose VOM emissions from each of these units shall not exceed nominal emission rates of 0.1 tons/year.
6. Pursuant to 35 Ill. Adm. Code 218.668(b), when in the opinion of the Illinois EPA it is necessary to conduct sampling and analysis to demonstrate compliance with 35 Ill. Adm. Code 218.668, the owner or operation of a polyester resin products manufacturing process subject to the requirements of 35 Ill. Adm. Code 218 Subpart CC shall, at his own expense, conduct such sampling and analysis in accordance with the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.668(a). The Illinois EPA's decision to invoke this subsection may be based on such factors including, but not limited to, a change in operation of the polyester resin products manufacturing process, or a reasonable belief that a previous test resulted in erroneous data.
- 7a. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to Section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with the requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particulate categories of stationary sources. If guidance material published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.
- b. Pursuant to 35 Ill. Adm. Code 218.991(a)(2), any owner or operator of a VOM emission unit subject to the requirements of 35 Ill. Adm. Code 218 Subpart TT and complying by the use of emission capture and control equipment shall collect and record all of the following information

each day and maintain the information at the source for a period of three years:

- i. Control device monitoring data.
 - ii. A log of the operating time for the capture system, control device, monitoring equipment and the coating operation.
 - iii. A maintenance log for the capture system, control device and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.
- c. Pursuant to 35 Ill. Adm. Code 218.991(b)(2), any owner or operator of a coating line which is subject to the requirements of 35 Ill. Adm. Code 218 Subpart TT and complying by means of the daily-weighted average VOM content limitation shall collect and record all of the following information for each coating line and maintain the information at the source for a period of three years:
- i. The name and identification number of each coating as applied on each coating line;
 - ii. The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line; and
 - iii. The daily-weighted average VOM content of all coatings as applied on each coating line as defined in 35 Ill. Adm. Code 218.104.
- d. Pursuant to 35 Ill. Adm. Code 218.672(a), any owner or operator of a polyester resin products manufacturing process which is subject to the requirements of 35 Ill. Adm. Code 218 Subpart CC shall comply with the following:
- i. Pursuant to 35 Ill. Adm. Code 218.672(a)(2), the owner or operator of a subject process shall collect and record the following information to maintain a complete record of all polyester resin materials which are used by such polyester resin products manufacturing process. This information shall be maintained at the source for a period of three years:
 - A. The name and identification number of each polyester resin material used in the process;
 - B. The particular operating requirement with which each polyester resin material will comply, the actual monomer content of the material (percent by weight) and other relevant data to show compliance with the operating requirement;

- C. A description of the testing which was performed, in accordance with 35 Ill. Adm. Code 218.668(a)(1)(C)(ii), (iii) and (iv) and (a)(1)(D), including data, calculations, and descriptions and results of the sampling and analysis that the owner or operator has relied upon to show compliance with 35 Ill. Adm. Code 218.666(a)(1); and
 - D. The processes and applications for which each polyester resin material may be used in compliance with applicable operating requirements.
- ii. Pursuant to 35 Ill. Adm. Code 218.672(a)(3), the owner or operator of a subject process shall collect and record all of the following information each day for each process and maintain the information at the source for a period of three years:
- A. The name, identification number and amount of each polyester resin material applied on each process; and
 - B. The specific data identified pursuant to 35 Ill. Adm. Code 218.672(a)(2)(D) to confirm that the polyester resin material was applied in such a manner that it complied with the applicable operating requirement.
- f. Pursuant to 35 Ill. Adm. Code 218.672(b)(2)(A), any owner or operator of a polyester resin product manufacturing process subject to the requirements of 35 Ill. Adm. Code 218 Subpart CC shall collect and record all the following information and maintain the information at the source for a period of three years:
- The date, time and duration of scheduled inspections performed to confirm the proper use of closed containers to control VOM emissions, and any instances of improper use of closed containers, with descriptions of actual practice and corrective action taken, if any.
- g. The Permittee shall maintain records of the following items:
- i. Usage of each coating and solvent (monthly basis).
 - ii. VOM content of each coating, resin and solvent. For coatings complying with 3.5 lb VOM/gallon, records of VOM contents (minus water and any compounds which are specifically exempted from the definition of VOM).
 - iii. Natural gas usage (mmscf/month and mmscf/year).
 - iv. Concrete production (tons/month and tons/year).
 - v. Cement and fly ash receipts (tons/month and tons/year).
 - vi. HAP contents of the materials used.

- vii. Monthly and annual emissions of CO, NO_x, PM, SO₂, VOM and HAP with supporting calculations (tons/month and tons/year).
- 8. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
- 9a. Pursuant to 35 Ill. Adm. Code 218.991(a)(3), any owner or operator of a VOM emission unit subject to the requirements of 35 Ill. Adm. Code 218 Subpart TT and complying by the use of emission capture and control equipment shall notify the Illinois EPA in the following instances:
 - i. Any record showing a violation of the requirements of 35 Ill. Adm. Code 218 Subpart TT shall be reported by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.
 - ii. At least 30 calendar days before changing the method of compliance with 35 Ill. Adm. Code 218 Subpart TT from the use of capture systems and control devices to the use of complying coatings, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(b)(1). Upon changing the method of compliance with 35 Ill. Adm. Code 218 Subpart TT from the use of capture systems and control devices to the use of complying coatings, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(b).
- b. Pursuant to 35 Ill. Adm. Code 218.991(b)(3), any owner or operator of a coating line which is subject to the requirements of 35 Ill. Adm. Code 218 Subpart TT and complying by means of the daily-weighted average VOM content limitation shall notify the Illinois EPA in the following instances:
 - i. Of a violation of the requirements of 35 Ill. Adm. Code 218 Subpart TT by sending a copy of any record showing a violation to the Illinois EPA within 30 days following the occurrence of the violation;
 - ii. At least 30 calendar days before changing the method of compliance with 35 Ill. Adm. Code 218 Subpart TT from the use of complying coatings to the use of capture systems and control devices, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(a)(1). Upon changing the method of compliance with 35 Ill. Adm. Code 218 Subpart TT from the use of complying coatings to the use of capture systems and control

devices, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(a).

- c. Pursuant to 35 Ill. Adm. Code 218.672(a)(4)(A), any owner or operator of a polyester resin products manufacturing process which is subject to the requirements of 35 Ill. Adm. Code 218 Subpart CC shall notify the Illinois EPA of any violation of the operating requirements of 35 Ill. Adm. Code 218 Subpart CC by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.
- d. Pursuant to 35 Ill. Adm. Code 218.672(b)(3), any owner or operator of a polyester resin product manufacturing process subject to the requirements of 35 Ill. Adm. Code 218 Subpart CC shall notify the Illinois EPA:
 - i. Of a violation of the requirements of 35 Ill. Adm. Code 218 Subpart CC with respect to handling practices and solvent recovery for cleaning materials by sending a copy of all such records to the Illinois EPA within 30 days following the calendar quarter in which such violation occurred; or
 - ii. Within 30 calendar days of changing the handling practices for polyester resin materials, cleaning materials and waste materials or changing source practice with respect to a solvent recovery system for cleaning materials, describing the change.
- 10. If there is an exceedance of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or violation and efforts to reduce emissions and future occurrences.
- 11. Two (2) copies of required reports and notifications concerning equipment operation or repairs, performance testing or a continuous monitoring system shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

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If you have any questions on this, please call David Hulskotter at 217/782-2113.

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:DWH:psj

cc: Illinois EPA, FOS Region 1
Illinois EPA, Compliance Section
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from a statue manufacturing plant operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are well below the levels, e.g., 100 tons per year of VOM, 10 tons per year for a single HAP, and 25 tons per year for totaled HAP, at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that less material is handled, and control measures are more effective than required in this permit.

		E M I S S I O N S (Tons/Year)					
		HAPs					
<u>Emission Units</u>	<u>VOM</u>	<u>CO</u>	<u>NO_x</u>	<u>PM</u>	<u>SO₂</u>	<u>Single</u>	<u>Total</u>
Coating Units	86.46	----	----	----	----	----	----
Resin Operations	4.96	----	----	----	----	----	----
Cement Silos and Mixers	----	----	----	0.19	----	----	----
Heating & Ventilation Units,							
Paint Dryer & Thermal Oxidizer	0.69	10.5	12.5	0.95	0.08	----	----
Solvent Recovery Unit	0.10	----	----	----	----	----	----
Diesel Storage Tank	0.10	----	----	----	----	----	----
Plant-Wide Total	92.31	10.5	12.5	1.14	0.08	< 10	< 25

DWH:psj

Attachment B - Emissions Reduction Market System (ERMS)

1. Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the CAA.

The ERMS addresses VOM emissions during a seasonal allotment period from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source shall have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 IAC 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 IAC 205.500 and 35 IAC 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 IAC 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 IAC 205.630).

2. Applicability

This source is considered a "participating source" for purposes of the ERMS, 35 IAC Part 205.

3. Obligation to Hold Allotment Trading Units (ATUs)

- a. Pursuant to 35 IAC 205.150(c)(1) and 35 IAC 205.720, and as further addressed by Condition 8 of this Attachment, as of December 31 of each year, this source shall hold ATUs in its account in an amount not less than the ATU equivalent of its VOM emissions during the preceding seasonal allotment period (May 1 - September 30), not including VOM emissions from the following, or the source shall be subject to "emissions excursion compensation," as described in Condition 5 of this Attachment.
 - i. VOM emissions from emission units that the Illinois EPA determines would qualify as insignificant activities under 35 Ill. Adm. Code 201, Subpart F if the source were a CAAPP source and for which a statement to this effect is contained in the FESOP for a participating or new participating source are exempt from the requirements of, in accordance with 35 IAC 205.220(b);
 - ii. Excess VOM emissions associated with startup, malfunction, or breakdown of an emission unit for sources permitted to operate during startup, malfunction or breakdown pursuant to 35 Ill. Adm. Code 201.262, in accordance with 35 IAC 205.225;
 - iii. Excess VOM emissions to the extent allowed by a Variance, Consent Order, or Compliance Schedule, in accordance with 35 IAC 205.320(e)(3);
 - iv. Excess VOM emissions that are a consequence of an emergency as approved by the Illinois EPA, pursuant to 35 IAC 205.750; and
 - v. VOM emissions from certain new and modified emission units as addressed by Condition 8(b) of this Attachment, if applicable, in accordance with 35 IAC 205.320(f).
- b. Notwithstanding the above condition, in accordance with 35 IAC 205.150(c)(2), if a source commences operation of a major modification, pursuant to 35 IAC Part 203, the source shall hold ATUs in an amount not less than 1.3 times its seasonal VOM emissions attributable to such major modification during the seasonal allotment period, determined in accordance with the construction permit for such major modification or applicable provisions of this permit.

4. Market Transactions

- a. The source shall apply to the Illinois EPA for and obtain authorization for a Transaction Account prior to conducting any market transactions, as specified at 35 IAC 205.610(a).

- b. The Permittee shall promptly submit to the Illinois EPA any revisions to the information submitted for its Transaction Account, pursuant to 35 IAC 205.610(b).
- c. The source shall have at least one account officer designated for its Transaction Account, pursuant to 35 IAC 205.620(a).
- d. Any transfer of ATUs to or from the source from another source or general participant must be authorized by a qualified Account Officer designated by the source and approved by the Illinois EPA, in accordance with 35 IAC 205.620, and the transfer must be submitted to the Illinois EPA for entry into the Transaction Account database.

5. Emissions Excursion Compensation

Pursuant to 35 IAC 205.720, if the source fails to hold ATUs in accordance with Condition 3 of this Attachment, it shall provide emissions excursion compensation in accordance with the following:

- a. Upon receipt of an Excursion Compensation Notice issued by the Illinois EPA, the source shall purchase ATUs from the ACMA in the amount specified by the notice, as follows:
 - i. The purchase of ATUs shall be in an amount equivalent to 1.2 times the emissions excursion; or
 - ii. If the source had an emissions excursion for the seasonal allotment period immediately before the period for the present emissions excursion, the source shall purchase ATUs in an amount equivalent to 1.5 times the emissions excursion.
- b. If requested in accordance with paragraph (c) below or in the event that the ACMA balance is not adequate to cover the total emissions excursion amount, the Illinois EPA will deduct ATUs equivalent to the specified amount or any remaining portion thereof from the ATUs to be issued to the source for the next seasonal allotment period.
- c. Pursuant to 35 IAC 205.720(c), within 15 days after receipt of an Excursion Compensation Notice, the owner or operator may request that ATUs equivalent to the amount specified be deducted from the source's next seasonal allotment by the Illinois EPA, rather than purchased from the ACMA.

6. Quantification of Seasonal VOM Emissions

- a. The methods and procedures specified in this permit for determining VOM emissions and compliance with VOM emission limitations shall be used for determining seasonal VOM emissions for purposes of the ERMS, with the following exceptions [35 IAC 205.315(b)]:

No exceptions

b. The Permittee shall report emergency conditions at the source to the Illinois EPA, in accordance with 35 IAC 205.750, if the Permittee intends to deduct VOM emissions in excess of the technology-based emission rates normally achieved that are attributable to the emergency from the source's seasonal VOM emissions for purposes of the ERMS. These reports shall include the information specified by 35 IAC 205.750(a), and shall be submitted in accordance with the following:

- i. An initial emergency conditions report within two days after the time when such excess emissions occurred due to the emergency; and
- ii. A final emergency conditions report, if needed to supplement the initial report, within 10 days after the conclusion of the emergency.

7. Annual Account Reporting

a. For each year in which the source is operational, the Permittee shall submit, as a component of its Annual Emissions Report, seasonal VOM emissions information to the Illinois EPA for the seasonal allotment period. This report shall include the following information [35 IAC 205.300]:

- i. Actual seasonal emissions of VOM from the source;
- ii. A description of the methods and practices used to determine VOM emissions, as required by this permit, including any supporting documentation and calculations;
- iii. A detailed description of any monitoring methods that differ from the methods specified in this permit, as provided in 35 IAC 205.337;
- iv. If a source has experienced an emergency, as provided in 35 IAC 205.750, the report shall reference the associated emergency conditions report that has been approved by the Illinois EPA;
- v. If a source's baseline emissions have been adjusted due to a Variance, Consent Order, or CAAPP permit Compliance Schedule, as provided for in 35 IAC 205.320(e)(3), the report shall provide documentation quantifying the excess VOM emissions during the season that were allowed by the Variance, Consent Order, or Compliance Schedule, in accordance with 35 IAC 205.320(e)(3); and
- vi. If a source is operating a new or modified emission unit for which three years of operational data is not yet available, as specified in 35 IAC 205.320(f), the report

shall specify seasonal VOM emissions attributable to the new emission unit or the modification of the emission unit.

- b. This report shall be submitted by November 30 of each year, for the preceding seasonal allotment period.

8. Allotment of ATUs to the Source

- a.
 - i. The allotment of ATUs to this source is 127 ATUs per seasonal allotment period.
 - ii. This allotment of ATUs reflects the Illinois EPA's determination that the source's baseline emissions were 14.37 tons per season.
 - iii. The source's allotment reflects 88% of the baseline emissions (12% reduction), except for the VOM emissions from specific emission units excluded from such reduction, pursuant to 35 IAC 205.405, including units complying with MACT or using BAT, as identified in Condition 10 of this Attachment of this permit.
 - iv. ATUs will be issued to the source's Transaction Account by the Illinois EPA annually. These ATUs will be valid for the seasonal allotment period following issuance and, if not retired in this season, the next seasonal allotment period.
 - v. Condition 3(a) of this Attachment becomes effective beginning in the seasonal allotment period following the initial issuance of ATUs by the Illinois EPA into the Transaction Account for the source.

- b. Contingent Allotments for New or Modified Emission Units

None

- c. Notwithstanding the above, part or all of the above ATUs will not be issued to the source in circumstances as set forth in 35 IAC Part 205, including:
 - i. Transfer of ATUs by the source to another participant or the ACMA, in accordance with 35 IAC 205.630;
 - ii. Deduction of ATUs as a consequence of emissions excursion compensation, in accordance with 35 IAC 205.720; and
 - iii. Transfer of ATUs to the ACMA, as a consequence of shutdown of the source, in accordance with 35 IAC 205.410.

9. Recordkeeping for ERMS

The Permittee shall maintain copies of the following documents as its Compliance Master File for purposes of the ERMS [35 IAC 205.700(a)]:

- a. Seasonal component of the Annual Emissions Report;
- b. Information on actual VOM emissions, as recorded and as required by Condition 6(g) of this permit and Condition 6(a) of this Attachment; and
- c. Any transfer agreements for the purchase or sale of ATUs and other documentation associated with the transfer of ATUs.

10. Exclusions from Further Reductions

- a. VOM emissions from the following emission units shall be excluded from the VOM emissions reductions requirements specified in 35 IAC 205.400(c) and (e) as long as such emission units continue to satisfy the following [35 IAC 205.405(a)]:
 - i. Emission units that comply with any NESHAP or MACT standard promulgated pursuant to the CAA;
 - ii. Direct combustion emission units designed and used for comfort heating purposes, fuel combustion emission units, and internal combustion engines; and
 - iii. An emission unit for which a LAER demonstration has been approved by the Illinois EPA on or after November 15, 1990.

The source has demonstrated in its ERMS application and the Illinois EPA has determined that the following emission units qualify for exclusion from further reductions because they meet the criteria as indicated above [35 IAC 205.405(a) and (c)]:

Fuel Combustion Emission Units

- b. VOM emissions from emission units using BAT for controlling VOM emissions shall not be subject to the VOM emissions reductions requirement specified in 35 IAC 205.400(c) or (e) as long as such emission unit continues to use such BAT [35 IAC 205.405(b)].

The source has demonstrated in its ERMS application and the Illinois EPA has determined that the following emission units qualify for exclusion from further reductions because these emission units use BAT for controlling VOM emissions as indicated above [35 IAC 205.405(b) and (c)]:

None